

FEBRUARY 17, 1981

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON  
FEBRUARY 17, 1981 AT 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE  
BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED  
MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and  
Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per  
annum; royalty as provided in the lease form approved by the Board of State  
Lands. The applications have been checked by the Mineral Division and found  
to be in order. The land status has been examined and the lands found to be  
open and available.

Min. Appl. No. 38891 Robert W. Adkins P.O. Box 565 Coalville, UT 84017	T38S, R2E, SLM Section 2: All	Kane 471.06 acres
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Min. Appl. No. 38892 Lonnie Anderson 7715 South 2375 East Salt Lake City, UT 84121	T19S, R11E, SLM Section 16: All Section 21: All	Emery 1280.00 acres
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Min. Appl. No. 38898 Helen Adkins P.O. Box 83 Coalville, UT 84017	T16S, R10E, SLM Section 11: SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 34: W $\frac{1}{2}$ SE $\frac{1}{4}$ . S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$	Emery 160.00 acres
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Min. Appl. No. 38899 Helen Adkins P.O. Box 83 Coalville, UT 84017	T17S, R10E, SLM Section 16: E $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$	Emery 200.00 acres
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Min. Appl. No. 38908 Keith W. Grover Box 968 Evanston, WY 82930	T2N, R1W, SLM Section 13: NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ (W-398) Section 14: E $\frac{1}{2}$ NE $\frac{1}{4}$ (W-398) M&B	Davis 60.00 acres
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OIL, GAS & HYDROCARBON LEASE APPLICATION - PARTIALLY APPROVED  
AND PARTIALLY REJECTED

Upon recommendation of Mr. Blake, the Director partially approved the Oil, Gas and  
Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per  
annum; royalty as provided in the lease form approved by the Board of State Lands.  
The application has been checked by the Mineral Division and found to be in order.  
The land status has been examined and the lands found to be open and available have  
been approved. The Director rejected the lands as listed below and ordered the  
refund of the advance rental on the rejected portion.

Min. Appl. No. 38897 Helen Adkins P.O. Box 83 Coalville, UT 84017	T19S, R11E, SLM Section 17: All except NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 20: E $\frac{1}{2}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$	Emery 1000.00 acres
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REFUND: \$1,280.00  
Rejected: in conflict with ML 38892

T19S, R11E, SLM  
Section 16: All  
Section 21: All

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METALLIFEROUS MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Appl. No. 38809 Marilyn J. Tibbetts 371 Marcus Ct. Moab, UT 84532	T23S, R24E, SLM Section 5: Lots 1,2,3,6,7, 8,9,10,11, Bed of CO River	Grand 93.02 acres
Min. Appl. No. 38810 James W. Tibbetts 371 Marcus Ct. Moab, UT 84532	T22S, R24E, SLM Section 15: Lots 7,8,9,10,11 Section 28: Lots 1,2,4,7 Bed of the CO River	Grand 171.90 acres
Min. Appl. No. 38900 John R. Anderson 50 So. Main Street Suite 1570 Salt Lake City, UT 84144	T13S, R11W, SLM Section 2: ATT	Juab 639.36 acres.
Min. Appl. No. 38901 John R. Anderson 50 So. Main Street Suite 1570 Salt Lake City, UT 84144	T12S, R11W, SLM Section 36: ATT	Juab 640.00 acres
Min. Appl. No. 38902 John R. Anderson 50 So. Main Street Suite 1570 Salt Lake City, UT 84144	T12S, R11W, SLM Section 2: ATT	Juab 640.80 acres

METALLIFEROUS MINERAL LEASE APPLICATION - REJECTED

Upon recommendation of Mr. Blake, the Director rejected the Metalliferous Minerals lease application listed below and ordered a refund of the advance rentals to the applicant. The filing fee is forfeited to the State of Utah.

Min. Appl. No. 38893 Ralph Stroble 2469 South Brentwood Lakewood, CO 80227	T30S, R7W, SLM Section 3: S $\frac{1}{2}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 4: SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$	Beaver 240.00 acres
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REFUND: \$240.00  
Rejected: conflict with SLA 284

COAL MINERAL LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Coal lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Appl. No. 38890 Robert E. Covington P.O. Box 517 Vernal, UT 84078	T35S, R2W, SLM Section 4: NW $\frac{1}{4}$	Garfield 160.00 acres
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GEOTHERMAL MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Geothermal lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Appl. No. 38894 Phillips Petroleum Co. P.O. Box 239 Salt Lake City, UT 84110	T14S, R13W, SLM Section 16: All	Juab 640.00 acres
Min. Appl. No. 38895 Phillips Petroleum Co. P.O. Box 239 Salt Lake City, UT 84110	T14S, R12W, SLM Section 16: All	Juab 640.00 acres
Min. Appl. No. 38896 Phillips Petroleum Co. P.O. Box 239 Salt Lake City, UT 84110	T14S, R11W, SLM Section 2: All Section 16: All	Juab 1279.40 acres

LIMESTONE MINERAL LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Limestone lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Appl. No. 38910 Clark R. Powell Box 713 Huntington, UT 84528	T22S, R1E, SLM Section 16: All	Sevier 640.00 acres
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WITHDRAWAL OF OIL, GAS & HYDROCARBON LEASE APPLICATION - MLA 38903

Helen Adkins has submitted a request for withdrawal of her application as numbered above. Upon recommendation of Mr. Blake, the Director approved the withdrawal of this application and the applicant be refunded \$216.00 paid in advance rentals. Filing fee is forfeited to the State.

WITHDRAWAL OF GEOTHERMAL LEASE APPLICATION - SLA 446

Mountain States Resources Corporation has filed for withdrawal of the above numbered mineral lease application previously submitted for lease of geothermal resources on 5.20 acres of Department of Transportation lands. The applicant submitted only \$15.20 for filing fee and rental. (Filing fee for this application should be \$35)

Upon recommendation of Mr. Blake, the Director approved this withdrawal of this application and the entire amount of money submitted by applicant be forfeited to the State for filing fee.

ACCEPTANCE OF BOND FOR ML'S 37991 AND 38605

Homestake Mining Company has submitted Surety Bond 8084-03-17 in the amount of \$5,000 with Federal Insurance Company to assure lease compliance with respect to proposed exploration operations. The bond appears in order and upon recommendation of Mr. Blake, the Director accepted this bond.

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ASSIGNMENTS OF MINERAL LEASES

INTEREST ASSIGNMENT - OIL, GAS AND HYDROCARBON LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of a 33 $\frac{1}{3}$ % interest in Lot 2, Section 2, T20S, R21E, and a 25% interest in Lot 1, S $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec 2, T20S, R21E, to ENI Exploration Program 1978 III, 1417 - 116th Ave., N.E., Bellevue, Washington 98009 by Supron Energy Corporation.

LEASE OWNERSHIP: Supron Energy Corporation et al

ML 27969....T20S, R21E, Sec 2: Lot 1,2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ .

OVERRIDING ROYALTY ASSIGNMENT - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of 3% overriding royalty of a 50% interest in the Oil, Gas & Hydrocarbon lease listed below to Celeste C. Grynberg & Dean G. Smernoff as Trustees, 1050 - 17th St., Suite 1950, Denver, CO 80265 by Jack J. Grynberg. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Natural Resources Corporation et al  
Jack J. Grynberg - 3% orr from a 50% Interest

.....ML 25952

Upon recommendation of Mr. Prince, the Director approved the assignment of  $\frac{1}{4}$  of assignors interest in the Oil, Gas & Hydrocarbon leases listed below to Noel S. Brusman, 1361 East 57th, Chicago, IL 60637; Renee S. Kindler, 762 Matsonia Drive, Foster City, CA 94404; Edwin W. Senior, 382 Foxborough Drive, Mountain View, CA 94040, and Nan S. Robinson 30 Woodland St., No. 9H, Hartford, CT 06105 by Lillian W. Davis. No override.

LEASE OWNERSHIP: Lillian W. Davis - 1/8 of 1% override.

UO 561-St....UO 566-St....UO 570-St....UO 823-St

TOTAL ASSIGNMENT - METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals lease listed below to Exxon Corporation, c/o Exxon Minerals Co., USA, P.O. Box 120, Denver, Co 80201 by Jerome B. Guinand. No override.

LEASE OWNERSHIP: Jerome B. Guinand

ML 38480....T10S, R6W, Sec 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec 34: S $\frac{1}{2}$ SW $\frac{1}{4}$ , Sec 36: All, 760.00 Tooele

TOTAL ASSIGNMENT - COAL LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of the Coal leases listed below to Trail Mountain Coal Company, P.O. Box 356, Orangeville, UT 84537 by Estate of Myron F. Fetterlof, who reserves 8% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Estate of Myron F. Fetterlof

ML 22603....T17S, R6E, Sec 36: All, 640.00

Emery

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OVERRIDING ROYALTY ASSIGNMENT - COAL LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of 8% overriding royalty in the Coal lease listed below to Mahogany Point Minerals Company, c/o Natomas Company, 601 California St., San Francisco, CA 94108 by Estate of Myron F. Fetterlof. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Trail Mountain Coal Company  
Estate of Myron F. Fetterlof - 8%

.....ML 22603

CORRECTION OF DIRECTOR'S MINUTES - DECEMBER 29, 1980

On the Director's Minutes of December 29, 1980, an assignment of Oil, Gas, and Hydrocarbon lease ML 27506 from Oxy Petroleum Inc. to Chorney Oil Company was approved. Among the lands described as being in ML 27506 was S $\frac{1}{2}$ NW $\frac{1}{4}$  of Sec. 15, T14S, R8E, SLM. This land is in ML 27506-A. The minutes of December 29, 1980, should be amended to eliminate this land from the description of lands in ML 27506.

Upon recommendation of Mr. Prince, the Director approved this correction.

EXTENSION OF GEMSTONE LEASES

The Board of State Lands at its meeting held February 11, 1979, instructed the Staff to investigate the leasing of State Lands for Gemstone leases and prepare a proposed leasing procedure for issuing Gemstone leases on State Lands to take into consideration the unique conditions of the Gemstone industry and at that time extend the terms of two Gemstone leases on which extensions were requested by the lessee of record. However, on the Director's Minutes of January 5, 1981, and January 26, 1981, there were a number of Gemstone leases which were expired. In light of the Board's decision, I recommend that the following Gemstone leases be extended for 90 days until the Land Board has an opportunity to review and act on a Gemstone leasing policy:

ML 18859 - E.T. Wilbur  
ML 26654 - Gerald W. Berry  
ML 26839 - A.L. McDonald  
ML 26928 - Timpanogas Gem and Mineral Society  
ML 27013 - Joe Caruso et al  
ML 27037 - Joe Caruso et al

Upon recommendation of Mr. Prince, the Director approved the extension of 90 days for the Gemstone leases listed above.

DIVISION ORDER, ML 22051

Conoco, Inc., operator of the Conoco Ute Tribal 36 well in Section 36, T8S, R21E, SLM., has submitted a division order covering oil production from this well. This division order properly sets out the interests of the state. Upon recommendation of Mr. Prince, the Director approved this Division Order.

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APPROVAL OF THE LEOTA UNIT

This office has received evidence that the Leota Unit was approved by the United States Geological Survey on January 27, 1981.

The following lease should be noted to show this approval.

ML 22026 Gulf Oil Corporation.

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APPROVAL OF THE SEVIER BRIDGE UNIT *EWB*

This office has received evidence that the Sevier Bridge Unit was approved by the United States Geological Survey on January 30, 1981.

The records of the following leases should be noted to show this approval.

ML 27302	Chevron USA Inc.
ML 27303	Chevron USA Inc.
ML 29519	Williams Exploration Company - 90%
	Hematite Petroleum Inc. - 10%
ML 30468	Amoco Production Company
ML 30772	Natural Resources Corporation - 50%
	Energy Reserves Group - 50%
ML 30824	Natural Resources Corporation - 50%
	Energy Reserves Group - 50%

REQUEST FOR APPROVAL OF THE PANGUITCH UNIT *EWB*

Northwest Exploration Company, operator of the Panguitch Unit, has filed this unit for approval by the State of Utah. The Panguitch Unit is located approximately three miles southwest of the town of Panguitch. The unit is situated on the east flank of the Markagunt Plateau. This unit contains 8,973.37 acres of which 8,244.01 acres or 91.87 percent are Federal lands, 560.00 acres or 6.24 percent are State lands and 169.36 acres or 1.89 percent are Patented lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 500 feet of the Navajo Sandstone Formation, but not to exceed 5,500 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following is the only State of Utah lease in this unit.

ML 38570	Northwest Exploration Company
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This lease has been committed to the Unit. Upon recommendation of Mr. Bonner, the Director approved this Unit.

WITHDRAWAL OF THE HARLEY DOME UNIT *EWB*

This office has received a letter from the United States Geological Survey informing us that the Application for Designation of the Harley Dome Unit has been withdrawn. Upon recommendation of Mr. Bonner, the Director approved the withdrawal of this application for the Harley Dome Unit.

The records of the following leases should be noted to show that this application has been withdrawn.

ML 27208	Willard Pease Oil and Gas Company
ML 27209	Willard Pease Oil and Gas Company
ML 27530	The Anschutz Corporation - 50%
	Texoma Production Company - 25%
	Nicor Exploration Company - 25%
ML 27531	The Anschutz Corporation - 50%
	Texoma Production Company - 25%
	Nicor Exploration Company - 25%
ML 31904	The Anschutz Corporation - 50%
	Texoma Production Company - 25%
	Nicor Exploration Company - 25%
ML 31775	Pendleton Land and Exploration, Inc.

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RIGHT OF WAY APPROVED  
RIGHT OF ENTRY NO. 2074

KMA

Digiseis Exploration, Inc., 7108 South Alton Way, Building #17D, Englewood, CO 80112 has submitted a request to conduct a seismic, vibroseis method, survey across the following State lands:

Township 28 South, Range 23 East, SLB&M  
Section 36: San Juan County

The fee for a seismic survey, vibroseis method is \$50.00 per mile @ 1 mile equaling \$50.00, plus a \$20.00 application fee, totaling \$70.00; school fund. Upon recommendation of Mr. Higgins, the Director approved this Right of Entry with a May 1, 1981 expiration date.

ADDITION OF ACREAGE TO EXISTING GRAZING PERMIT -- GP 21546

KMA

Mr. Snell Olsen, P.O. Box 354, Spanish Fork, Utah 84660 has requested the following additional acreage be added to his existing Grazing Permit GL 21546, 160.00 acres @8¢/acre totaling \$12.80; School fund.

Township 21 South, Range 1 East, SLB&M  
Section 36: SE¼

Containing 160 acres

Grazing permit, GP 21546, will now contain 3,388.49 acres @.08¢ acres totaling \$271.08. The State acknowledges payment for the 1981 grazing season. Upon recommendation of Mr. Higgins, the Director approved this addition to GP 21546.

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RIGHT OF WAY APPLICATION  
RIGHT OF ENTRY NO. 2070

LBW

Davis Oil Company, Drawer 900, Reliance, Wyoming 82943. has requested permission to upgrade an existing road to a width of 16 feet for access to a well site on the following described State land:

Township 40 South, Range 22 East, SLBM  
Section 14: NW¼

The charge will be \$2.50 per rod for 160 rods and a \$20.00 application fee for a total of \$420.00. School Fund. Upon recommendation of Mr. Wilcox, the Director approved this Right of Entry with an expiration date of February 28, 1982.

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TIMBER APPLICATIONS APPROVED

RAM

T/A # 553

Kirk A. Loveridge, 125 East Center, Moab, Utah 84532.

34,300 Board Feet of Ponderosa Pine Sawtimber - Total Cost: \$1,200.50

Township 29 South, Range 25 East, SLB&M  
Section 16 San Juan County

This sale was previously advertised and no bids were received, therefore it was not re-advertised. The Field Operations Manager recommends approval of this timber application in accordance with stipulations outlined in the contract.

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MINERAL LEASES TO BE CANCELLED

*Q9M*

The following leases are to be cancelled due to non-payment of 1981 rental. Certified notices were mailed. Upon recommendation of Mr. Miller, the Director approved the termination of the Mineral Leases listed below and offering the lands for lease by Simultaneous Bid.

NAME	ACCOUNT NO.	TYPE
Twentieth Century Energy	ML 24298	Met.
American Quasar Petroleum Co.	ML 27978	OG&H
American Quasar Petroleum Co.	ML 27979	OG&H
American Quasar Petroleum Co.	ML 27980	OG&H
Ranchers Expl. & Dev. Co.	ML 29058	Met.
Ranchers Expl. & Dev. Co.	ML 29059	Met.
Ranchers Expl. & Dev. Co.	ML 29060	Met.
Ranchers Expl. & Dev. Co.	ML 29061	Met.
Ranchers Expl. & Dev. Co.	ML 29062	Met.
American Lime Corp.	ML 29927	Limestone
American Lime Corp.	ML 31269	Limestone
California Coal Partners Ltd.	ML 31366	Coal
Ranchers Expl. & Dev. Co.	ML 31394	Met.
Ranchers Expl. & Dev. Co.	ML 31395	Met.
Ranchers Expl. & Dev. Co.	ML 31396	Met.
Ranchers Expl. & Dev. Co.	ML 31397	Met.
Ranchers Expl. & Dev. Co.	ML 31398	Met.
Ranchers Expl. & Dev. Co.	ML 31399	Met.
Ranchers Expl. & Dev. Co.	ML 31400	Met.
Ranchers Expl. & Dev. Co.	ML 31401	Met.

INTEREST RATES

*Q9M*

	CURRENT	YEAR AGO
Prime Rate	20.00	15.75
Federal Funds	9.50	7.40
Discount Rate	13.00	12.00

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*William K. Dinehart*  
WILLIAM K. DINEHART, DIRECTOR

*Verna A. Petersen*  
VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209